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TAGS: MARR MCAP MOPS PGOV PINS PNAT PTER IZ JO SY SUBJECT: MALIKI REAFFIRMS DESIRE FOR CABINET SHAKE-UP, CALLS FOR PROVINCIAL ELECTIONS AS EARLY AS JUNE

REF: BAGHDAD 166

Classified By: CDA Patricia A. Butenis for reasons 1.4 (b) and (d).

11. (S) SUMMARY: During the weekly security meeting on January 24 with the Ambassador, Prime Minister Maliki reaffirmed his desire to reduce the number of cabinet posts and form a national unity government with ministers from a broad spectrum of parties including Tawafuq and Iraqiyya. He expressed confidence the Council of Representatives (CoR) would pass the Provincial Powers Act within the next week, leading to early provincial elections. Although he acknowledged many political hurdles, he suggested they might occur as early as June. He briefed the Ambassador on issues facing Iraqi refugees returning from Jordan and Syria, but noted his intention to use governmental funds to induce these countries to ease their return. Maliki concluded the meeting with a discussion about the stalled CoR budget debate, blaming the Kurdish Regional Government (KRG) for the impasse. END SUMMARY.

Cabinet Shake-up

12. (S) In his weekly security meeting with the Ambassador, a relaxed Prime Minister Maliki reaffirmed his desire to reduce the number of government ministries to around 17 or 18 (Note: there are currently 34 ministers between the ministries, the ministers' of state and the ministers' of state without portfolio. End note) and then appoint ministers from a broad spectrum of parties, including Tawafuq and Iraqiyya (Note: both parties have boycotted their ministerial posts since August in a dispute with the government. End note). Maliki said the Executive Council had already agreed to this proposal "in principle" but he acknowledged significant negotiating hurdles, including former PM Allawi's demands that he fire the two Iraqiyya ministers who refused to boycott their posts (reftel). While extolling the patriotism of these two ministers -- whom he described as choosing country over partisan politics--Maliki once again left the door open to compromise, remarking that a smaller cabinet with a new set of ministers might provide a face-saving means to resolving the issue. He described discussions with the Tawafuq party leaders as progressing reasonably well, adding that issues without legal or constitutional constraints could be quickly resolved. The Ambassador urged Maliki to be flexible in order to set the right tone for political reconciliation within his government. Maliki assured the Ambassador he would be generous in reaching out to them.

Provincial Elections by June?

13. (S) Turning to pending legislation, Maliki predicted the Council of Representatives (CoR) would pass the Provincial Powers Law by January 28, in one of the next three parliamentary sessions. The Ambassador expressed hope that passage would lead to early provincial elections. Maliki concurred, saying he supported new provincial elections "as soon as possible", possibly as early as June. He lamented that this position put him at odds with many political forces. He specifically cited problems with members of the Iraqi High Commission for Elections, describing them as under the influence of various political parties. Maliki proposed adoption of new laws or procedures strictly limiting their ability to influence the actual balloting. The Prime Minister noted that the new Special Representative of the Secretary General to the United Nations Assistance Mission for Iraq (UNAMI), Steffan De Mistura, seemed equally optimistic about holding elections soon,

## Iraqi Refugees

14. (S) Regarding the increasing numbers of refugees returning home to Iraq, Maliki said Syrian authorities now put the number at over 700,000 which is causing recession in their economy. In Jordan, many of those attempting to return now face fines for overstaying their visas—which they cannot pay—putting them in limbo as they are forced to further extend their stay. Maliki said ForMin Zebari and IntMin Bolani are negotiating with the GOJ to allow these refugees to leave in return for GOI financial reimbursement for the visas and transportation. (COMMENT: Post believes the Syrian estimate on the number of Iraqi returnees is far too high—probably by several magnitudes—especially considering that the total Iraqi refugee population in Syria is estimated

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at around 1.2 million; available evidence does not support the fact that over half of the Iraqi refugees there have returned. Although good estimates are hard to come by, the most recent one by the Iraqi Red Crescent Organization says that 46,000 Iraqi refugees returned from Syria between September 15 and December 27, 2007. END COMMENT.)

KRG Budget Faces Opposition in CoR

15. (S) Concluding with a discussion about the current budget debate in the CoR, Prime Minister Maliki suggested that the biggest issue was mounting resentment against Kurdish Regional Government (KRG) demands that the CoR approve additional funding for Peshmerga salaries. This had backfired, he said, and there was increasing pressure by non-Kurdish parties to reduce the KRG's 17 percent share of allocations. Noting that it would be highly unlikely for the KRG to "federalize" the Peshmerga or to allow Iraqi Army bases in Kurdistan, Maliki worried this issue would cause a major stalemate in the ongoing budget battle CROCKER